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**GEST-S-604**

**Module “Commercialization of microfinance”
Course: Commercialization of microfinance

2nd semester EMP 2025-26**

**Module manager: Prof. Simon Cornée**

***Planning***

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| --- | --- | --- | --- | --- |
| **Date** | **Time** | **Lecturer** | **Guest speaker** | **Place** |
| 06-11-25 | 6 pm to 9 pm |  | Noémie Renier |  **A.0.005** |
| 01-12-25 | 6 pm to 9 pm | Prof. Simon Cornée |  |  **A.0.005** |
| 02-12-25 | 6 pm to 9 pm | Prof. Simon Cornée |   |  **A.0.005** |
| 03-12-25 | 6 pm to 9 pm | Prof. Simon Cornée  |  |  **A.0.005** |

**Part 1: Prof. Simon CORNEE**

 ***Objectives of the course***

* Present social banks and cooperative banks (in rural areas)
* Figure out the implications for rural microfinance

***Topics covered and recommended readings***

1. **Social banks:**

Based on a simple case study, the objective is to discover the foundational principles and functioning rules of social banking. The following topics will be covered:

* Governance
* Intermediation of values
* Selectivity and transparency
* Interest rate setting and reciprocity
* Relational approach of financing

References:

* Allet, M. and M. Hudon (2013), “Green Microfinance: Characteristics of Microfinance Institutions Involved in Environmental Management,” *Journal of Business Ethics* 126(3): 395-414.
* Cornée, S. (2019), “The Relevance of Soft Information for Predicting Small Business Credit Default: Evidence from a Social Bank”, *Journal of Small Business Management*, 57(3): 699-719.
* Cornée, S., P. Kalmi and A. Szafarz (2016), “Selectivity and Transparency in Social Banking: Evidence from Europe,” *Journal of Economic Issues* 50 (2): 494-502.
* Cornée, S., D. Masclet and G. Thenet (2012), “Credit Relationships: Evidence from Experiments with Real Bankers,” *Journal of Money, Credit and Banking* 44(5): 957-980.
* Cornée, S. and A. Szafarz (2014), “Vive la Différence: Social Banks and Reciprocity in the Credit Market,” *Journal of Business Ethics* 125(3): 361-380.
* Cornée, S., P. Kalmi, and A. Szafarz (2020), “The Business Model of Social Banks,” *Kyklos*, 73 (2), 196-226.
* Hudon, M. and J. Sandberg (2013), “The Ethical Crisis in Microfinance: Issues, Findings, and Implications,” *Business Ethics Quarterly* 23(04): 561-589.
* Weber, O. and S. Remer (eds.) (2011), *Social Banks and the Future of Sustainable Finance*, New York: Routledge.
1. **Cooperative banks:**

The objective is to provide an overview of the following themes:

* + Historical background
	+ Return, risk and stability
	+ Growth and governance
	+ Regulatory issues

References:

* Angelini, P., R. Di Salvo and G. Ferri (1998), “Availability and Cost of Credit for Small Businesses: Customer Relationships and Credit Cooperatives,” *Journal of Banking & Finance* 22(6): 925-954.
* Coco, G. and G. Ferri (2010), “From Shareholders to Stakeholders Finance: A More Sustainable Lending Model,” *International Journal of Sustainable Economy* 2(3): 352-364.
* Cornée, S., Fattobene, L., & Migliorelli, M. (2018), “An Overview of Cooperative Banking in Europe,” in: Migliorelli, M. (Eds.), New Cooperative Banking in Europe. Strategies for Adapting the Business Model Post Crisis, Springer, pp. 1-27.
* Ferri, G. and Neuberger, D. (2015), “The banking regulatory bubble and how to get out of it,” in: Calciano, F., Fiordelisi, F., and Scarano, G. (Eds.). The Restructuring of Banks and Financial Systems in the Euro Area and the Financing of SMEs. London: Palgrave Macmillan, 31–61.
* Guinnane, T.W. (1997), “Regional Organizations in the German Cooperative Banking System in the Late 19th Century,” *Research in Economics* 51(3): 251-274.
* Hesse, H. and M. Čihák (2007), “Cooperative Banks and Financial Stability,“ IMF Working Paper No. 07/02.
* Kalmi, P. (2012), “Cooperative Banking,” in Toporowski, J. and J. Michell (eds.) *Handbook of Critical Issues in Finance*, Edward Elgar Publishing, 56-65.
* Perilleux, A. (2013), “Strategic Governance Lessons from History for West African Microfinance Cooperatives*,*” *Strategic Change* 22(1/2): 95-106.

**Part 2: Noémie RENIER**

**Noémie Renier:**

***Objectives of the sessions***

* Understand the role of Microfinance Investment Vehicles (MIVs) in the financial inclusion market
* Get operational and strategic insights on the functioning of MIVs (fund development, fund management and risk management)
* Understand the investment process of MIVs and integration of ESG/impact mission within the investment process
* Walk through key sector initiatives witnessing how strong cooperation between socially oriented funds have contributed to greater impact

***Topics covered and recommended readings***

1. **Financial Inclusion Market Trends**
* Microfinance within the Impact Industry
* The Role of Microfinance Investment Vehicles
1. **Fund Development and Management**
* AIFM and regulatory considerations
* Fund raising
* Investment process
* Risk Management
* Technical Assistance
1. **Investment Process**
* From origination to monitoring
* Due Diligence
* Double bottom line assessment
1. **Key sector initiatives**
* Social Performance TaskForce – Social Investor Working Group
* Coordination between MIVs (MoU)

References:

* Memorandum of Understanding on "Coordination among MIVs in response to Covid 19", <https://www.covid-finclusion.org/investors>
* SPTF Social Investor Working Group (SIWG) website, <https://sptf.info/working-groups/investors>
* MFR (2021), Institutional rating methodology, MFR website
* Symbiotics (2020), “2020 Symbiotics Microfinance Investment Vehicles (MIV), Survey”, Symbiotics, Geneva.
* Sam Mendelson (2020), “The Covid-19 Financial Inclusion Compass” European Microfinance Platform
* Convergences (2019), Microfinance Barometer 2019
* World Bank (2017), The Global Findex Database 2017 (World Bank, 2011-2017)
* CGAP (2020), “Toward a Shared Learning Agenda for Financial Inclusion,”
* GIIN (2020), Understanding Impact Performance: Financial Inclusion Investments

**All parts**

***Evaluation***

Written exam